

July 15, 2013

The Honorable Mignon Clyburn,  
Chairwoman  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: WT Docket 12-69

Dear Chairwoman Clyburn:

Congratulations, on your appointment as acting Chairwoman of the Federal Communications Commission. I appreciate the time you have invested as a Commissioner over the recent years. I believe that you do understand the problems that small business face in the wireless industry.

My name is Vincent McBride, the managing member of McBride Spectrum Partners. We purchased the Pittsburgh 700 MHz A Block licenses in the 2008 700 MHz spectrum auction. The license covers the greater metropolitan Pittsburgh area and northern West Virginia.

History illustrates the dangers of allowing AT&T to achieve a dominant position in the telecommunications industry. Following the auction in 2008, AT&T influence the international standards board to carve-up the original band 12 into separate bands. They are now using their market size and power to aggressively control the lower 700 MHz band. AT&T has arbitrarily divided up band 12 and created its own band 17 which AT&T is now dictating to the OEM's to make band specific network equipment and mobile devices that are not interoperable with the original band 12 licenses. AT&T has created an absolute barrier to entry for small businesses just the opposite of congressional intent to ensure that small business had an opportunity to compete in the mobile industry. Hypothetically this non-interoperability in the lower 700 MHz band may have been premeditated and deliberately designed to lock-out the competition from offering nationwide roaming. If this was true this kind of anti-competitive behavior would be cruel and if allowed to continue unchecked will crush the competition, making it impossible for the competition to survive.

AT&T, the former telephone monopoly giant was dismantled by an antitrust lawsuit filed by the

U.S. Justice Department in 1984. AT&T is now trying to put “**Humpty Dumpty**” back together again. There actions are extraordinary unprecedented and is a prime example of unlawful regulatory intrusion. The non-interoperability in the lower 700 MHz is an anti-competitive plan designed to delay the competition. The plan was an attempt by AT&T to circumvent the voice and data roaming mandates which have been consistently upheld by the courts and will eventually fail. Being a chess player, I must say that AT&T game strategy to divide and conquer the lower 700 MHz band and play the stonewall defense was a clever strategy, well executed. The fact of the matter is that AT&T placed winning bids and won band 12 B block licenses in auction 73. The A block licenses was never intended to be sold at as a guard band. AT&T should've never been allowed to repurpose the A block spectrum as a private guard band for it's own use. AT&T has unlawfully turned the A block licenses into a guard band behind the cover of an international standards board undermining the Commission data roaming mandate with a total disregard for the other A block license holders. The A block license holders have the same rights of use as AT&T. The A and B block licenses are all band 12 licenses under the same band plan and auction rules. AT&T's plan is extremely shortsighted knowing that interoperability is unavoidable. The fact is interoperability is absolutely necessary and the entire mobile industry depends on it and would be significantly impaired without it. Interoperability is also important to the success of the upcoming incentive auctions so that the auction participants know and that the band plan will be interoperable which would be consistent with all other cellular bands.

Restoring interoperability in the 700 MHz band will have a negative effect on AT&T business operations and to its bottom line. Its shareholders will not be happy but upper management of AT&T was fully aware knowing with informative risk and must have expected that interoperability would be restored at some point in time. AT&T understands that interoperability provides consistency to the FCC spectrum auction process and that interoperability will play a major role in the upcoming incentive auctions making sure that it is successful. AT&T must take full responsibility for any cost associated with its unwillingness to play the game fairly on a level playing field. The winning bidders who had participated in the 700 MHz spectrum auction had every right to assume, based on the 25 year history of interoperability as the norm in the industry that interoperability would also be the norm for the 700 MHz auction and in fact it was the norm.

All of the lower 700 MHz licenses in the action was indeed band 12 at the time of the auction and at the time the licenses was granted by the FCC. All cellular bands for the last quarter of a century had interoperability so why would that change now? From the start of the auction to completion of the auction it was all band 12. It was only post auction that AT&T has significantly change the lower B block 700 MHz spectrum into an exclusive band 17.

The fact is that AT&T exposed itself to this uncompromising position knowing full well the risk and consequence of an interoperability mandate that would restore the lower 700 MHz spectrum

blocks back to its organic band 12. Instead of moving the wireless industry forward in time as necessary to keep pace with the enormous increase in mobile data each year AT&T has been permitted to move the wireless industry backwards 20 years in time.

Our country's regulatory checks and balances are in place to ensure that companies are held accountable to the American people. Now AT&T must bite the bullet and accept the punishment for its bad behavior and move on. Non- interoperability in the 700 MHz band was a industry blunder on a grand scale and regardless of how hard you try to whitewash the truth about what happen, the stains of interoperability will stay as part of the industry record. It is now time to move the industry forward and restore full interoperability in the 700 MHz band. We now realize the undisputed benefits of interoperability and the certainty that it brings to the entire wireless ecosystem. Interoperability has served the mobile industry for 25 years and the commission should not change it now all for the benefit of one company regardless if that one company is too big to fail or too small to survive, interoperability must be restored.

Verizon, is not blameless in this "anti-competitive" game plan. Verizon purchased 25 of the largest metropolitan A Block licenses spending \$2.6 billion of the \$3.9 billion (65%) of the total bids for A Block licenses which cover 48% of the A Block MHz pops. Verizon has since promised to sell these A Block licenses in preparation to buy the AWS licenses owned by the cable companies. After buying the AWS licenses from the cable companies Verizon has announced it has been unable to sell its A Block licenses in the secondary market. The main reason Verizon was unable to sell the A block licenses is because of interoperability. The A Block has been carved out from the original band plan and is now being used as chum to attract sharks that now surround the sinking A block ship. Verizon which also had purchased \$2 billion of B Block licenses in the auction has since monetized its \$2 billion in B block spectrum holdings to the other hand of the two headed serpent rather than deploy LTE in band 12. AT&T on the other hand had purchased \$6.6 billion of only B Block licenses in the auction. AT&T and Verizon represented 85% of the total \$19.6 billion in 700 MHz auction revenue. AT&T post auction has since been allowed without restriction to continue to consolidate its overwhelming and lopsided lower band spectrum holdings purchasing the B block spectrum from small companies like Cavalier, McBride, Cox, Vulcan, Triad, David Miller, and other small B block license holders.

Verizon has now decided to jump the A Block "ship" upon which Verizon it was the captain abandoning the rest of the A Block licensees to drown without the lifeline of interoperability. The A Block "ship" is quickly sinking and the A Block licensees are left swimming in a sea of uncertainties surrounded by a school of sharks. AT&T and Verizon together have revenues of \$250 billion and combined assets of half a trillion dollars. Competing with this oligopoly is like trying to free yourself from the belly of a whale. The competition in the wireless industry is hanging on for life, urgently waiting for the helping hand of the Commission in order to survive.

In order to be fair and compensate the A block licenses for five years of lost time the Commission should level the playing field. Before approving any deal giving AT&T the right to acquire Leap Wireless an interoperability mandate should be in place. The Commission should Immediately grant the A block build-out extension requests starting two years after the date of an interoperability mandate and or two years after the date Channel 51 has been cleared. Extend the A block license expiration date to no sooner than February 2022.

The Commission now has a great opportunity to foster real competition by restoring interoperability across the entire 700 MHz spectrum band. The mandate will protect the consumer's right to choose between different mobile service providers. The American consumers depend upon competition and the sooner that we restore interoperability the better off the American consumers will be. For all of the above reasons, I urge you to restore the lower 700 MHz back to the organic band 12.

Respectfully submitted,

Vincent D. McBride  
Managing Member  
McBride Spectrum Partners, LLC.